

Commissioners

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Bill Bryant
Patricia Davis
Lloyd Hara
Gael Tarleton



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An audio of the meeting proceedings and meeting materials are available on the Port of Seattle web site - <http://www.portseattle.org/about/organization/commission.shtml>

(The approximate point in the audio recording for the specific item is identified by minutes and seconds; example: 01:30.)

**APPROVED MINUTES
COMMISSION REGULAR MEETING NOVEMBER 11, 2008**

The Port of Seattle Commission met in a regular meeting at 3:00 p.m., Tuesday, November 11, 2008 in the Commission Chambers at Pier 69, 2711 Alaskan Way, Seattle, WA. Commissioners Bryant, Creighton, Davis, and Hara and Tarleton were present.

1. CALL TO ORDER

The regular meeting was called to order at 3:00 p.m. by John Creighton, Chair and President.

2. EXECUTIVE SESSION pursuant to RCW 42.30.110

The regular meeting was immediately recessed to an executive session to discuss legal risk issues for approximately one hour and reconvened to public session.

PLEDGE OF ALLEGIANCE

3. APPROVAL OF MINUTES

Deferred until next meeting.

4. SPECIAL ORDER OF BUSINESS

Commissioner Creighton noted that this was Veterans' Day, and commended the staff on a ceremony that was given earlier in the day honoring men and women of our armed services. He also acknowledged the Port's three new veterans fellows, James Bunn, Sara Chartrand, and C.J. Mriscin.

5. UNANIMOUS CONSENT CALENDAR

(00:02:41) The following items were placed for consideration on the Unanimous Consent Calendar:

- a. **Request for approval of Claims and Obligations for the period of October 1 through October 31, 2008.**
- b. *ITEM WITHDRAWN* Authorization for 1) Additional \$350,000 for continuation of contingency plan for cranes at Terminal 46, and 2) Approval for small works contract for installation of new gearbox if failures occur
- c. **Request for approval to issue change orders for the C-1 Baggage Handling System Project in the estimated net credit amount of \$289,979.**

Request Document: Commission agenda [memorandum](#) dated October 28, 2008 from Ralph Graves, Managing Director, Capital Development Division.

Motion for approval of Unanimous Consent Items 5a and 5c – Hara

Motion carried by the following vote:

In Favor:

Bryant, Creighton, Davis, Hara, Tarleton (5)

Prior to moving forward with regularly scheduled agenda items, Commissioner Creighton noted that there were a number of people in attendance wanting to address the Commission regarding subjects not directly related to items listed on the agenda. He proposed that public comment be allowed at the front of the agenda.

(00:03:59) Public comment regarding the Sea-Tac Airport rule against carrying guns was received from the following individuals:

- Mark Knapp. Mr. Knapp provided a copy of a letter of response dated May 22, 2008, which he had written to the City of Federal Way regarding Federal Way City Code Firearms provisions. A copy of the letter is, by reference, made a part of these minutes; is marked Exhibit '[A](#),' and is on file in Port offices.
- Dean Fuller
- Gene Beasley. A written copy of testimony was provided by Mr. Beasley; is by reference, made a part of these minutes; is marked Exhibit '[B](#),' and is on file in Port offices.

(00:14:21) Public comment regarding the Shuttle Bus Recovery Fee at Sea-Tac Airport was received from the following individuals:

- Michael Vergillo, Extra Car Airport Parking
- Roger McCracken, Masterpark
- Sandy Sidell, Dollar-Thrifty Auto Group
- Jerry Stotler, Coast Gateway Hotel
- Rich Connors, SeaTacPark.com

Aviation Items were advanced on the agenda as follows:

8. AVIATION ITEMS

b. (00:43:29) Request for authorization to execute a Power Sales Agreement contract between Seattle-Tacoma International Airport and the Bonneville Power Administration (BPA).

Request Document: Commission agenda [memorandum](#) dated October 31, 2008 from Michael D. Feldman, Deputy Managing Director, Aviation Facilities and Environmental Programs; Richard Ottele, General Manager, Aviation Facilities and Infrastructure; and Trevor Emtman, Utilities Manager

Presenters: Mr. Ottele and Mr. Emtman

Motion for approval of item 8b – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

a. (00:51:04) Request for authorization to complete 100% design contract documents; execute and award outside professional services agreements; prepare and execute outside utility agreements; and perform contract administration and execution for the Off-Site Roadway Improvements as part of the Rental Car Facility Design Project at Sea-Tac Airport for \$552,000, bringing the total authorization to \$5,411,330.

Request Document: Commission agenda [memorandum](#) dated October 24, 2008 from Michael Ehl, Director, Airport Operations and George England, Program Leader, Aviation Capital Improvement Program

Presenters: Mr. England and Jim Schone, Director, Aviation Business Development

Motion for approval of Item 8a – Tarleton

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

- c. (00:58:54) Request for authorization to execute a one-year extension to agreement with Robinson Aviation for continued operation of Sea-Tac Ramp Control Tower Facility for an estimated cost of \$1,019,000.**

Request Document: Commission agenda [memorandum](#) dated October 24, 2008 from Michael Ehl, Director, Airport Operations

Presenter: Mark Coates, Senior Manager, Airport Operations, Airfield

Motion for approval of Item 8c – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

- d. (01:01:57) Request for authorization to execute all necessary documents necessary to implement the acquisition of the [Seventh-Day Adventist Church](#) in the City of Burien, including administration, overhead and securing the building, at an estimated cost of \$1,553,500.**

Request Document: Commission agenda [memorandum](#) dated October 17, 2008 from James R. Schone, Director, Aviation Business Development; Mark C. Griffin, Director, Real Estate Development; and W. Allan Royal, Manager, Aviation Property Acquisition and Relocation

Presenter: Mr. Royal

Motion for approval of Item 8d – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

The agenda was returned to Policy and Staff Briefings as follows:

6. POLICY AND STAFF BRIEFING

- b. (01:05:05) [Consolidated Rental Car Facility](#) (CRCF) Update**

Presentation Documents: Commission agenda [memorandum](#) dated November 3, 2008 with [supplemental information](#) from Michael Ehl, Director, Airport Operations and George England, Program Leader, Project Management Group.

Presenters: Mr. England and Jim Schone, Director, Aviation Business Development

Responding to questions from Commissioners, staff reiterated that they are working with Turner Construction and that in approximately a week there would be more comprehensive information on what would be needed for a slowdown of the CRCF Project

Commissioner Bryant commented that he would like to see ways in which bonds for the project could be made more marketable, and stated that he would also like to see the bonds be reclassified as tax free.

d. (01:18:38) Briefing on Port of Seattle Clean Truck Program

Presentation Documents: Commission agenda [memorandum](#) dated October 30, 2008 from Stephanie Jones Stebbins, Senior Manager, Seaport Environmental Programs and Sarah Flagg, Air Quality Program Manager, Seaport Environmental Programs and computer slide [presentation](#).

Presenters: Ms. Jones Stebbins and Ms. Flagg

Topics reviewed within the presentation:

- Background
 - Puget Sound Region Air Toxics Risk Apportionment
 - Puget Sound Maritime Air Emissions Inventory
 - Diesel Particulate Matter – Puget Sound Clean Air Agency Region
 - Diesel Particulate Matter – Port of Seattle
 - Comparison of 2005 Heavy-Duty Vehicle Emissions
 - Drayage Fleet Analysis
- Northwest Ports Clean Air Strategy
 - Current Staff Focus
 - Stakeholder Outreach
 - Seaport Air Quality Program Advisory Group
- Staff Program Analysis and Priorities
- Various Options, with Pros and Cons of Each
- Next Steps and Schedule

Public comment on Item 6b was received from the following individuals:

- Heather Weiner, Coalition for Clean and Safe Ports. A copy of a letter from Ms. Weiner to Port Commission, dated November 11, 2008 was submitted for the record. A copy is by reference, made a part of these minutes, is marked Exhibit 'C,' and is on file in Port offices.
- Olufemi Dosummu
- Patti Ludwig, ACORN
- Michael McGrath, ACORN. Copies of a form letter regarding the Clean Air Strategy were submitted by Mr. McGrath for the record. The letters are by

- reference, made a part of these minutes, are collectively marked Exhibit '[D](#),' and are on file in Port offices.
- Heather Trim, People for Puget Sound
 - Paul Marvy, Change to Win. A copy of a letter dated November 2, 2007 written to the Mayors of Los Angeles, Long Beach, and Oakland regarding the Clean Trucks Program, was submitted for the record. A copy of the letter is, by reference, made a part of these minutes, is marked Exhibit '[E](#),' and is on file in Port offices.
 - Michael Kedani

Commissioner Creighton called for a brief recess, after which the meeting was reconvened at 6:48 p.m.

New Business was advanced on the agenda as follows:

12. NEW BUSINESS

(02:47:34) Request for additional authorization for Commission International Travel for 2008

Request Document: Commission agenda [memorandum](#) dated November 10, 2008 from Mary Gin Kennedy, Director, Commission Services

Presenter: Ms. Kennedy

Motion for approval of Item 12 – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara, Tarleton (5)

The agenda was returned to Policy and Staff Briefings as follows:

6. POLICY AND STAFF BRIEFING

a. (02:49:41) Update on Terminals 30 and 91 – Construction Field Progress

Presentation Documents: Commission agenda [memorandum](#) dated November 5, 2008 from Fred Chou, Capital Construction Project Manager and Ticson Mach, Capital Construction Project Manager and computer slide [presentation](#).

Presenters: Mr. Chou and Mr. Mach

The slide presentation shown provided updated photographs of progress on the Terminal 30 Container Reactivation and Terminal 91 Cruise Terminal Relocation Project.

c. (02:56:39) Update on the Performance Audit Report of the Port of Seattle Construction Management

Presentation Documents: Commission agenda [memorandum](#) dated October 28, 2008 from Dakota Chamberlain, Manager, Seaport Project Management and Larry McFadden, General Manager, Port Construction Services and computer slide [presentation](#).

Presenters: Mr. McFadden and Dwight Rives, Assistant General Manager, Port Construction Services

An overview was summarized by staff on actions taken thus far in response to the SAO audit. Also provided was a report on the remaining recommendations to be addressed.

7. MARINE ITEMS

None.

9. CAPITAL DEVELOPMENT

None.

10. REAL ESTATE

None.

11. GENERAL BUSINESS

a. (03:09:20) Resolution No. 3607 and Resolution No. 3608. Adopting the final budget of the Port of Seattle for the Year 2009, and directing the King County Council as to the specific sums to be levied on all assessed property of the Port of Seattle District in the year 2009.

- First Reading
- Public Hearing

Request Documents: Commission agenda [memorandum](#) dated October 30, 2008 from Michael Tong, Corporate Budget Manager and computer slide [presentation](#) titled, "Port of Seattle 2009 Preliminary Budget – First Reading/Public Hearing."

Presenters: Mr. Tong, Dan Thomas, Chief Financial Officer, Elizabeth Morrison, Senior Manager, Corporate Finance

Topics reviewed:

- 2009 Budget Process
- Aviation Enplaned Passengers
- Seaport TEU's
- Seaport Cruise Passengers

- Budget Changes since October 27, 2008 presentation
 - Major Budget Cuts
 - Major Budget Additions
- 2009 Budget as Result of SAO Audit
- Operating Budget Summary
- Operating Budget Summary – Excluding Aeronautical Revenue & Expense
- Net Operating Income
- 2009 Budget Summary
- Non-ops Income Summary
- Summary of Budget Changes – Aviation
- FTE Changes since October 27, 2008 Presentation
- Port-wide FTE Summary
- Proposed Budget Change – Aviation
- Unfunded Marine Maintenance
- 5-year Capital Plan
- CIP History 2001-2009
- 2009 Capital Budget by Division
- Tax Levy
 - History
 - Maximum
 - Use
 - Summary of Sources and Uses
- Levy and G.O. Bond Funded Project Spending
- General Obligation Bonds
- Calculation of G.O. Bond Limits
- Remaining Schedule

During the presentation, staff reiterated to the Commission that attempts were being made for the elimination of the alternative minimum tax designation on the Airport and Seaport bonds, including the Rental Car Facility.

Commission discussion regarding unfunded marine maintenance suggested that it would be important to include deferred maintenance projects within the budget. Commissioner Bryant noted that while there was a need to focus on both the unfunded maintenance as well as prospective capital projects, perhaps some of the maintenance would need to be done rather than doing some new capital expenditures.

Commissioner Tarleton proposed that staff be directed to include \$2.7M in the 2009 budget for unfunded marine maintenance, and provide information on the impacts of doing so. Staff clarified that they would make the changes as requested; that first reading could be done at this time; and that changes could still be made to the resolution prior to second reading and final passage.

Commissioner Tarleton was absent from the meeting from this time forward.

(04:27:27) Pursuant to Notice of Public Hearing, Commissioner Creighton declared the meeting open as a Public Hearing.

Public comment was received by the following individual:

- Mr. Ed White, Vice-president, Corporate Real Estate for Alaska Airlines. A written copy of Mr. White's comments was provided; is by reference, made a part of these minutes; is marked Exhibit 'E,' and is on file in Port offices

The Public Hearing was then closed, and the Port Commission meeting reconvened.

Prior to the vote, Commissioner Bryant commended staff for their work on the proposed 2009 budget, and also stated that before Second Reading and Final Passage of the resolutions, he would like staff to drill down further in order to identify other possible areas of savings, and avoid incurring more new debt.

Commissioner Creighton commented that he would be voting in favor of the First Reading of the resolutions in order to keep the process moving along, but that he too would like to see areas for further possible savings before Second Reading and Final Passage.

Motion for First Reading of Resolution No. 3607 – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara (4)

Commissioner Tarleton was absent for the vote.

Mr. Thomas noted that there was a correction needing to be made within Resolution No. 3608, that being within the second recital, the words "the same" (levy rate) be stricken, and replaced with "a" (levy rate).

Motion to amend Resolution No. 3608, as stated by Mr. Thomas – Hara

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara (4)

Commissioner Tarleton was absent for the vote.

Motion for First Reading of Resolution No. 3608, as amended – Davis

Motion carried by the following vote:

In Favor: Bryant, Creighton, Davis, Hara (4)

Commissioner Tarleton was absent for the vote.

13. ADJOURNMENT

There being no further business, the meeting was adjourned at 8:50 p.m.

(A digital recording of the meeting is available on the Port's website.)

Bill Bryant
Secretary